

## 21ST REPORT OF THE BUSINESS ADVISORY COMMITTEE.

Mr. SPEAKER.—I present the 21st Report of the Business Advisory Committee.

Sri L. H. THIMMA BOVI.—I beg to move :

“That the House agree with the Report.”

Mr. SPEAKER.—The question is:

“That the House agree with the 21st Report of Business Advisory Committee.”

*The motion was adopted.*

## DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1961-62.

Sri J. H. SHAMSUDDIN.—I beg to move :

“That on the recommendation of the Governor of the Mysore further sum not exceeding Rs. 21,000 be granted to the Government to defray the charges which will come in course of payment during the year ending 31st March 1961 in respect of taxes on income other than Corporation Tax.”

Mr. SPEAKER.—Motion moved.

“That on the recommendation of the Governor of Mysore a further sum not exceeding Rs. 21,000 be granted to the Government to defray the charges which will come in course of payment during the year ending 31st March 1961 in respect of taxes on income other than Corporation Tax.”

All the demands are before the House. Hon'ble Members are free to make remarks on all the demands.

Sri J. B. MALLARADHYA.—What is the time allotted for discussion?

Mr. SPEAKER.—The debate will be closed to-day.

ಶ್ರೀ ಬಿ. ಕೆ. ಪುಟ್ಟರಾಮಯ್ಯ.—Impossible ಒಂದು ದಿವಸ ತಾನೆ ಏಕೆ ಚರ್ಚೆಮಾಡಬೇಕು. ಕ್ವಿಯತ್ತಿ ಬಿಟ್ಟು ಹಣ ಖರ್ಚು ಮಾಡಬಿಡಬಲ್ಲ. Nextday ಅದರೂ ಇದಕ್ಕೆ ಕೊಡಬೇಕು ಎಷ್ಟು ದಿವಸ ಬೇಕಾದರೂ ಡಿಸ್‌ಕಸ್ ಮಾಡಿ ಎಂದು ಮೊನ್ನೆತಾವೇ ಹೇಳಿದಿರಿ.

ಅಧ್ಯಕ್ಷರು.—ಈ ಸ್ಥಾನದಲ್ಲಿ ತಾವು ಹಾಗೆ ಹೇಳುವುದು ಸರಿಯಾಗುತ್ತದೆ. ಈ ಸ್ಥಾನದಲ್ಲಿ ಹಾಗೆ ಮಾತನಾಡಲಾಗುವುದಿಲ್ಲ.

ಶ್ರೀ ಬಿ. ಕೆ. ಪುಟ್ಟರಾಮಯ್ಯ.—ತಾವು ಮಾತನಾಡಿದ್ದು ಈ ಸ್ಥಾನದಿಂದಲೇ.

ಅಧ್ಯಕ್ಷರು.—ನಾನು ಯಾವ ಸಂಬಂಧದಲ್ಲಿ ಮಾತನಾಡಿದ್ದೇವೆಂದು ಹೇಳಿದರೆ ಗೊತ್ತಾಗುತ್ತದೆ

ಶ್ರೀ ಸಿ. ಜೆ. ಮುಕ್ಕಣ್ಣಪ್ಪ.—ಇದು ಕೊನೆಯ ಸೆಷನ್ ಎಂದು ಅಷ್ಟು ಕೊಡಿಸಿದಿರಿ. ಸ್ವಲ್ಪ ವಾದರೂ ಏನೇನು ಮಾಡಿದ್ದಾರೆ ಎಂಬ ಬಗ್ಗೆ ಮಾತನಾಡುವುದಕ್ಕೆ ಅವಕಾಶ ಬೇಡವೇ?

ಅಧ್ಯಕ್ಷರು.—ಹತ್ತು, ಹತ್ತು ನಿಮಿಷ ಮಾತನಾಡಿ.

ಶ್ರೀ ಸಿ. ಜೆ. ಮುಕ್ಕಣ್ಣಪ್ಪ.—ಉದಾರ ಮನಸ್ಸಿನಿಂದ ಒಂದು ದಿವಸ ಹೆಚ್ಚು ಮಾಡಿ.

ಅಧ್ಯಕ್ಷರು.—ಬೇಡ, ಬೇರೆ ಕೆಲಸ ತೆಗೆದುಕೊಳ್ಳುತ್ತೇನೆ. ಇನ್ನೂ ನಾನ್ ಅಫಿಷಿಯರ್ ಬಿಸಿನೆಸ್, ಪಬ್ಲಿಕ್ ಅಕೌಂಟ್ಸ್ ಕಮಿಟಿ ರಿಪೋರ್ಟ್ ಇವೆಲ್ಲ ಇವೆ.

†Sri J. B. MALLARADHYA (Nanjangud).—I do not know why my friend the Deputy Minister for Finance while placing the Supplementary Demands for Grants before the House, making a total commitment upto the tune of more than 7 crores of rupees, has not said a word. He seems to set up a record for brevity or the absence of brevity. Does it not require some explanation, the effect of this expenditure on the revenue budget, the capital expenditure etc ?

Mr. SPEAKER.—I have observed the position in the House of Commons. Normally the budget is placed before the House and a motion is made. After that the Opposition Members and Treasury Benches participate. The points raised by the Hon'ble Members would of course be answered at the end before the demands are voted.

Sri J. B. MALLARADHYA.—I am only afraid whether the Demands would simply be voted without an answer we after have made observations. There is nothing that this Government will not do and my fears are real.

I wish the Hon'ble Minister had indulged in a few preliminary remarks while placing the supplementary budget. Having regard to the fact that the Hon'ble Speaker has invited the attention of the House to the procedure obtaining in the House of Commons, I would withdraw my objection. But I cannot refrain from making few observations which are very relevant to the question. It has been my painful experience for the last 4½ years that whenever any relevant remarks are offered by the Opposition in regard to the Budget they are not even answered satisfactorily when the appropriate time arrives for the Hon'ble Minister to give a reply. This question of new service is one of those things in respect of which I must say that the Government have been very reckless and I must say that they are very unceremonious in the use of this expression "new service" I would invite the attention of the Hon'ble Minister to the Financial Memorandum dated 23rd November 1951 issued by the Government of Mysore as printed as Appendix VI of the Budget Manual on page 140. I invited the attention of the Hon'ble Minister on more one occasion to the definition of the word "new service" and the circumstances under which Government will be privileged to take shelter by introducing a particular item of expenditure in the supplementary demands under cover of new service. Here is a very clear statements of facts. My general observation on the supplementary budget is that they have very clearly violated some of the essential conditions put down for accepting any item of expenditure coming within the category of new service. Of course in the first para they have referred to Article 205 of the Constitution. The G. O. goes on to say : "While under the existing service expenditure may be incurred within the grant by suitable re-appropriation...". In a large majority of cases mentioned in the statement, what could easily have been reappropriated by sanctioned budgetted heads, have come to be treated

(Sri J. B. MALLARADHYA)

as 'new service' items. I am asking what compelling reasons were there for Government to do this kind of thing. The note further proceeds: "While under the existing services, expenditure may be incurred within the grant by suitable reappropriation, any expenditure on new service cannot be so met without the specific sanction of the legislature". In a large majority of cases, Government have sanctioned the amount and come to this House for sanction. It is both in respect of expenditure already incurred and expenditure proposed to be incurred during the remaining months of the financial year. I consider this a violation of the Government Order. What is the sanctity of the Government Order, which has been approved by the Legislature. Recently I read that the Bombay Government have fixed a limit of Rs. 25,000 for expenditure under the head 'new service.' This Government has fixed the limit at 1 lakh.

Another observation which I wish to make in such cases is that the contingency fund could be operated upon only in exceptional cases where the expenditure is of an emergency nature and could not be foreseen and then the contingency fund recouped after obtaining the necessary grants from the Legislature. This is another category of violation of the Government Order. The Government have not in any one of the explanations furnished pointed out the exceptional nature and the need or expenditure. The circular proceeds "the Administrative Secretaries to the Government and the Heads of Departments should see that all items of expenditure which have to be treated as "new service" cannot be incurred without the specific sanction of the Legislature." Government have now admitted that the expenditure has already been incurred. So what is the sanctity attached to the Government Order which has been accepted by the Legislature. This is my general observation in respect of constituting "new services" which has been very abundantly used by this Government.

Coming to individual Demands, take for example 'Taxes on Income other than Corporation-tax'—items 1 and 2 which are the aggregate of Rs. 21,300. This is a type of explanation which can carry hardly any conviction to a man like me. I do not wish to say that I am in a special category, But I must admit a certain amount of inside knowledge about administration. They say:

"Due to payment of certain T.A. bills of the previous year during the current year and also increased number of tours of the Agricultural Income Tax Officers, the original Budget provision of Rs. 23,000 is found to be inadequate. Hence this demand."

At the time of the preparation of the budget, was it difficult for them to ascertain what is the total amount of T.A. bill to be paid to these agricultural income-tax officers and why it was not included.

When once the limit of T. A. is fixed for officers, what is the meaning in saying that they have to undertake greater tours. During each year every department gets allotment of T.A. and in respect of some officers you want to relax the limit and you want to be very generous. When was the increased allotment sanctioned to the officers and what is the extra amount of agricultural income-tax which they recovered as a result of tours; why should arrears of T.A. not have been paid during the year itself and why should it not have been provided for in the budget?

Coming to charged item about the High Court of Mysore, I have no observations to make. But in respect of Demand No. 20, I want to invite the attention of the Finance Minister particularly that even where the High Court or any Court gives a decree, there are complaints that the demands and claims of particularly individuals and officials have not been promptly settled. I want to bring to the notice of the Finance Minister a case in which 17 teachers of the Department of Public Instruction under their signature have sent a representation purporting to say that in spite of the High Court Order there has been very inordinate delay in settling their claims. As per Note 4 to Article 294 of the Mysore Service Regulations and sub-section (7) of section 115 of the States Reorganisation Act, they were entitled to be in service till they attained the age of 58 years. By a wrong interpretation perhaps of the sections and by a wrong interpretation of the directive given by the Government, they terminated the services of these 17 teachers. I only talk of the facts before me. There may be a large number of people involved. The High Court decided that the order of the Director of Public Instruction was wrong and that the services of these 17 teachers should not have been terminated. The judgment of the High Court is applicable to these people and they are entitled to the salary due to them between the dates of their illegal termination and the date on which they should have been legally asked to retire. I hope the Finance Minister will take up their cases. I am not trying to criticise the action of the Department merely on technical grounds. Here is the case of 17 teachers who should have been in service for two years more and the High Court has ordered that they are entitled to be in service. Now papers are going from the Director of Public Instruction to Government and from Government to Deputy Directors and other educational officers. Even when the highest court gives a decision, I consider it would not be inconsistent with the prestige of the State to delay the settlement of these claims. That is all I wish to say in connection with Demand No. 20.

Coming to Demand No. 27 under Industries and Supplies, I am anxious to know this Explanatory Note has not explained anything which is material for a clear understanding of the case. What are the details of this particular scheme, when were the societies established? You say that this amount is intended to be given as grant to some societies.



(Sri J. B. MALLARADHYA)

2-30 P.M.

In what districts are these societies established? It is only under items 8 and 9. Except these two items, no details have been furnished in respect of other items and the amount involved is as much as 3,35,000. Then, Sir, what is the exceptional circumstance which prompted the Government to bring this as a New Service? When the decision was taken in October 1960, they could have included it in the original budget itself. I want to know why it was not done.

Sri T. MARIAPPA (Minister for Finance).—The Board decided in 1960. Subsequently, we have taken it to the Central Government. Unless the Central Government gives its consent in writing, we cannot include it in the Budget. Unless there is a G.O. you cannot include it. We will give you details.

Sri J. B. MALLARADHYA.—Sir, I will show you cases where you have incurred expenditure without this. Then, Sir, I want the explanation to be a little more clear so that we can understand what exactly is the point involved in this.

Regarding Demand 28 (a), this is one of those where there gross misuse of affairs. None of the conditions specified is followed. You will kindly see that sanction was accorded for according two Pilot projects in Pavagada and Yadgir for utilization of man-power. I have tried to go through the details of the Five-Year Plan. I was told that it was not Mysore Scheme but it is a Government of India scheme. It is nowhere stated in this Explanatory Note that it is Government of India scheme. I had to spend one hour where this scheme is included in the Plan. There is no mention that it is a Government of India scheme. What are the details of the Scheme? What is total man-power you propose to utilize and in what manner?

Sri T. MARIAPPA.—They are Pilot scheme—new schemes for soil conservation in Pavagada and Yadgir. I agree it is not given in the Explanation.

Sri M. C. NARASIMHAN.—If it is a Pilot Project why should we bear the expenditure? Should it not be recouped again?

Sri T. MARIAPPA.—I will answer that.

Sri J. B. MALLARADHYA.—Then, Sir, it was ascertained according to the original plan, the amount would be 2,25,000 for 1960-61. You have provided 25,000 for 1960-61. I say whether it was not possible for you to make a token grant during 1961-62 budget; if so, why was it not made?

Sri T. MARIAPPA.—We want to be cautious. Till money was received or got it in writing, we did not want to do it.

Sri J. B. MALLARADHYA.—Sir, it is only now I come to know that it is a Government of India scheme. Sir, you began by saying that the scheme would cost 2,25,000 and then raised to 4 lakhs. On what basis you sanctioned this? May I take it that even today the Government have not got a correct picture of the scheme? Would you tell us what exactly the details of the man-power to be utilised and the manner in which it is going to be utilised and what are the targets fixed and the benefits to be accrued?

Sri T. MARIAPPA.—It is most for soil conservation. This was in the nature of pilot project to see whether it is worth our while.

Sri J. B. MALLARADHYA.—My point is, to bring it as a New Service, what was the exceptional circumstance that prevailed with the Government?

Sri T. MARIAPPA.—The whole conception is a new one and the Bill was on the anvil and only two days back it was passed. The schemes were in operation in Bombay area and in Mysore and Hyderabad areas, it is new.

Sri J. B. MALLARADHYA.—Sir, the Hon'ble Minister seem to know the whole thing and I shall await for the explanation to forthcome at end of the the debate. I am only finding fault with what is mentioned here.

So far as Demand 29 is concerned, here is a case in which the Opposition rightly feels that some of these are political sanctions. I am asking the Hon'ble Finance Minister who is very careful and has an eye for details, as to when was this break suspected. Was there not heavy traffic moving on these roads quite from a long time and when was this report made and why should this come under 50 Civil Works as supplementary? Was not the West Coast road being dealt with from quite a long time? Why was this estimate not included in the budget? How often are these bridges rebuilt and repaired and reconstructed? Was not the strength of the bridge determined having regard to the large volume of traffic? This is not the first time that heavy traffic is going on West Coast Road.

Sri T. MARIAPPA.—All the bridges have to be taken up simultaneously but it is impossible to do so. So, we allow some traffic and whenever bridges are reported to be weak, then we will take up and are not able to take the heavy load, we will take them up.

Sri J. B. MALLARADHYA.—Here is one instance where in anticipation of the Government of India approval they have taken up works. The explanation says, on account of the urgency of the work, tenders were called for and the work was taken up during 1960-61 in anticipation of the approval of the Government of India.

Sri T. MARIAPPA.—The West Cost Road is sanctioned. Bridges-one by one we take up.

Sri J. B. MALLARADHYA.—Did the Government of Mysore have before them a full report that such and such bridges on this road are unfit for heavy traffic and did they not make a periodical inspection?

Sri T. MARIAPPA.—I want to make it very clear that all the bridges are very weak. They were never intended to carry the heavy load that is here.

Sri J. B. MALLARADHYA.—Then where was the difficulty in finding this one lakh of rupees out of reappropriation, instead of treating it as a new service? Do you mean to say that in an enormous budget of the P. W. Department running to crores of rupees under various heads, was it difficult to find this amount of one lakh by reappropriation? Even that has not been considered. What is happening is, anything in excess of one lakh of rupees is treated automatically as a new service. I object to this kind of attitude.

Sri T. MARIAPPA.—It is very difficult to take any reappropriation in the P. W. Budget. The expenditure has increased to such an extent.

Sri J. B. MALLARADHYA.—I know also there is a circular given to the officers of the P.W.D. that although works are sanctioned, they may not be taken up immediately.

I want to know why at the fag end of the year, you go on sanctioning works. I want to know the number of such orders passed by Government sanctioning certain schemes at the end of 31st March 1961. The point is, you charge the whole thing to the contingency fund on 31st March 1961.

Sri T. MARIAPPA.—Exigencies of the situation.

Sri J. B. MALLARADHYA.—Sir, coming to demand no. 38 I have got a lot to say in connection with expenditure on Military Police action. The explanation offered bristles with a lot of inconsistencies. The Police action was taken prior to 1956 and a certain grant was sanctioned. I want to know what was the grant sanctioned. I am asking this because one of the conditions was that any grant which could not be utilized, to be refunded to the Government of India. Is not this House entitled to ask what was the amount sanctioned by the Government of India in respect of this item: what were the conditions under which the Government of Mysore had to send the Mysore Police for the police action to Hyderabad and why this payment is being made. I want to have a full picture of the circumstances and regular Government Orders which authorized this expenditure by the Mysore Government. The total amount mentioned here for refund to the Government of India is Rs. 12,99,306, whereas the demand is now made only for Rs. 1,89,400

Sri T. MARIAPPA.—Our share of the expenditure. We are the successors of the Hyderabad Government. Bombay, Mysore and Hyderabad has to share the expenditure in proportion to the population.

Sri J. B. MALLARADHYA.—Your share will have to be given. That is true. The point is, correct figures are not placed before the Legislature. What was the total

expenditure incurred and what was the total expenditure sanctioned; under what conditions were the military police deputed? Was there any condition stipulated that this Government should bear any portion of the expenditure?

Sri T. MARIAPPA.—It cannot be disclosed.

Sri J. B. MALLARADHYA.—My point is, Government decided on police action against the Hyderabad Government. and I want to know if they asked us to bear any portion of the expenditure? Before they decided on police action on Hyderabad. Do you mean to say that this Government had agreed to bear any portion of the expenditure? If the Government of India sent a contingent to Congo---It may be combatant force—I do not know whether the Government of India is going to be persuaded to agree that these forces should take part in any military action there. I want to know why the Mysore Government is asked to pay for this?

Sri T. MARIAPPA.—As successors to Hyderabad Government.

Sri J. B. MALLARADHYA.—I am asking whether there was any such liability. Even taking for granted that as successor Government we are paying, is it not open to the Legislature to ask what are the details? It is not a votable item. It is a charged item. It is open to debate. It is not subject to the vote of this House. I am fully aware of the situation. There is no option but to agree, because the item is a charged item. But we are entitled to know the details.

Sri T. MARIAPPA.—These items cannot be disclosed in public interest Sir.

Sri J. B. MALLARADHYA.—I am only asking details of the finances involved. I am not asking for secrets connected with military operations. Supposing today, the Government of Mysore in compliance with the wishes of the Government of India send a force from Mysore to guard our border, is it a matter which can be kept secret from the House? And is not expenditure to be voted by this House? Now you have treated this item as a charged item. I am not discussing the question of policy. That is a different matter. I am asking whether we are entitled to know the details of expenditure, the conditions under which we participated. You expect the House to simply agree to this amount being spent because it is a charged item. That should not happen. I am making a representation to the Hon'ble Speaker and I am watching the reactions on his face.

Mr. SPEAKER.—After all, in these cases I have always made it clear that when a matter comes before the House and the Government says that it is not possible to disclose the informations on the ground of public interest, I have always expressed my inability to compel the Government.

Sri J. B. MALLARADHYA.—I want to know the conditions and the amount of liability which was fixed on the Andhra Pradesh Government to which we have become successors?

Sri T. MARIAPPA.—The amount of liability fixed is 12 lakhs. It is given.

Sri J. B. MALLARADHYA.—A certain grant was sanctioned by the Government of India to meet the expenditure therefore with the condition that the unspent balance should be refunded to them. The explanation makes it abundantly clear that there was no liability involved on behalf of this Government. There is no indication that this Government had to bear a portion of the expenditure. If this one lakh of rupees is the unspent balance, it is a different matter. But why should it be a liability? There was no condition at all that this Government had to bear any portion of the expenditure. Is it the unspent balance?

Sri T. MARIAPPA.—It is the unspent balance which has to be refunded. It is the unspent balance.

Sri J. B. MALLARADHYA.—What concrete measures have the Government taken to assess the correctness of the demand?

Sri T. MARIAPPA.—Meetings were held at Secretariat level, the accounts were looked into and the share of each State was decided.

Sri J. B. MALLARADHYA.—When did these negotiations commence?

Sri T. MARIAPPA.—Even now we are periodically meeting. The whole thing is not finalised, but only this particular matter has been finalised.

Sri J. B. MALLARADHYA.—Where there are still many more items which have got to be decided, why should Government have given priority to this question of liability. They should have waited for the entire thing to be settled.

Coming to the next item, I would like to refer to the sugar muddle and the most ridiculous economy of sugar export. Is there any country in the world where having manufactured an industrial product you insist on individual industrialists parting with it at a loss in national interest? Is it national interest or private interest? The Government of India have put forward all kinds of reasons saying that it is in the interest of earning foreign exchange. Are we to lose Rs. 5 crores to earn its equivalent of foreign exchange. If our cost of production in India is say Rs. 700 per ton and its international price is only Rs. 400 per ton, are we to lose Rs. 300 on every ton of sugar exported? Has this huge loss to be incurred to earn the foreign exchange equivalent of Rs. 5 crores? This may be a point to be raised in the Lok Sabha or Rajya Sabha. What I say is that this kind of economy does nobody any good. Before committing themselves to accept this position was this policy considered? They are now invoking the provisions of Sections 5 (1) and 24 (2) (b) of the Mysore Sugarcane Cess Act, 1958, which was brought into force from 15th June 1959. Under this provision the Government is competent to reduce or remit the cess payable under any of the repealed enactments, by an occupier of a notified factory, if it is satisfied that the sugar produced in such a

factory is exported at a loss out of India. Merely because of the existence of such a provision, is it fair for Government to commit themselves to this kind of expenditure?

Sri T. MARIAPPA.—All the State Government agree with the Centre in having this export trade.

Sri J. B. MALLARADHYA.—Stimulation of export is a very healthy thing in the interest of any country, but stimulation of export at a loss is not a sound policy. This Government is not in a position to resist even in cases where such resistance is indicated in the interests of the State. Merely because they want to favour a few factories in the North, you want us to suffer?

Mr. SPEAKER.—This is the policy of the Government of India. What can we do? Does he mean to say that the Mysore State ought not to have fallen in line with this policy?

Sri J. B. MALLARADHYA.—This is not binding on us. I do not think the Centre can compel any State, but it can only ask for its concurrence. There must be somebody to tell them that their policy is suicidal. This sugar economy of the Centre has come in for scathing criticism not merely in Mysore State but in other parts of India also.

Mr. SPEAKER.—He cannot question the sugar policy of the Government of India, but he can only say that the Government of Mysore ought not to have agreed to this rebate.

Sri J. B. MALLARADHYA.—The burden of my song is that. This criticism arises out of liability which we have taken in this matter. I want to know in the years 1957-58, 1958-59 and 1959-60 what was the total quantity of sugar exported, from which factories; how many of them are private factories and how many are Government or semi-Government concerns.

There is another point to which I would like to refer. It is true that the Mysore Sugarcane Cess Act enables you to either remit or refund the cess payable under any to the repealed enactments, but what is material is that the Government has got to issue a notification for it. I ask whether such notification was issued before committing these factories to this liability. Then this refund relates to 1957-58, etc. Why did the Government not include this in the budget and why have they come up so late with a supplementary demand. They should known the amount refundable to a factory long before.

Sri T. MARIAPPA.—Only when claim is made by the factory, liability arises. It has to prove that the sugar was exported.

Sri J. B. MALLARADHYA.—Which are the sugar factories whose quotas were fixed and what is the amount refundable to them? Is it the suggestion of the Minister that during 1957-58, 1958-59 and 1959-60 no sugar factory exported any sugar at all from Mysore State? What is the reason for this inordinate delay in making this supplementary demand?

Mr. SPEAKER. —The House will now rise for recess and meet after half-an-hour.

---

*The House adjourned for recess at Three of the Clock and reassembled at Thirty Minutes past Three of the Clock.*

---

(Mr. DEPUTY SPEAKER in the Chair)

Sri J. B. MALLARADHYA.—I was on Demand No. 38 and was referring to the item relating to the *ex-gratia* amount for which a supplementary demand has been placed. I was asking the Finance Department to ascertain and explain why in respect of refund admissible during the years 1958-59 and 1959-60 the amounts could not have been brought in the budget of the revised years.

When was this amount determined? This information is very necessary to justify the claim put forward by the Government.

Coming to item No. 3, Rs. 80.00 lakhs, I wish to raise in connection with this demand a few important points. When the matter was debated on the floor of the House in regard to the famine relief operations to be undertaken by the Government, we made a few comments. One of the important things that I suggested was the setting up of a Central Relief Committee and the district relief committee. I had occasion to comment on the callousness of Government in regard to the actual relief measures which reached the people who are affected and when I made this observation, when the time came for reply on behalf of the Government, the Revenue Minister took shelter under one particular statement that the Government have done their best. I am asking what is that statement which says that the Government have done their best? Recently last month I had an occasion to go to 2 or 3 taluks affected by floods including my erstwhile constituency. I must tell you that the relief measures contemplated under that Government Order have not reached a large number of people. Take for example the question of allotment of sites for building new villages. I must definitely say that in more than 90 per cent of the cases it is not an accomplished fact: the same old rotten thing is going on and the people are harassed and they have not been able to start the operation of building houses. That is No. 1. I thought at least on this occasion the Chief Minister or the Revenue Minister would place before this House a report of the progress of relief operations undertaken as a result of the recent floods. The Opposition is particularly kept in the dark as to what is being done. We were very happy that the Chief Minister's Relief Fund mounted up to Rs. 7 lakhs. I should like to know whether there is any rationale in regard to the distribution of the amount, to what districts this amount is allotted and on what basis. The Chief Minister in reply to a particular question the day before

yesterday said that Rs. 2 lakhs has been allotted as a second instalment. When relief is needed and when people are asking for relief, I should like to know if all the Rs. 7 lakhs is going to be distributed as gratuitous relief or in what manner. I have no doubt that the amount will be spent for some particular purpose in connection with relief operations. It is the Chief Minister's Relief Fund. I think it would be useful if the House is kept informed of that. In regard to the building materials, the less said, the better. They have fixed the outside upper limit at Rs. 300 in every individual case. In a large majority of cases it is entirely a matter of discretion with the local officers. If the officer says that he won't give more than Rs. 100 there is an end of the matter. A lot of complaints are being made in regard to the allotment of building materials. I do not wish to talk ill of any persons behind their backs, but I have heard complaints that even this has become the fertile source of making money by petty officials. What measures Government have taken to see whether relief has actually reached the people. This is a very important matter. We cannot afford to be complaisant and say that we have done our best. Merely passing a Government Order and making a pious hope and expecting something to be done by local officers is not an end of the matter. I insisted upon a mixed committee of officials and non-officials at the district level and at Government level for keeping a check. You say you have done your best and we say you have done your worst. Particularly in regard to the grant of gratuitous relief in a particular village in T.-Narsipur taluk where there are a number of Archaks, a grant of Rs. 5 only was given as gratuitous relief even when the Government Order provided for Rs. 10 I take a bet to-day; they did not receive 50 per cent of that 40 rupees.

Sri T. MARIAPPA.—Up to 40 rupees.

Sri J. B. MALLARADHYA.—Sir, merely a local officer says that the person deserves only five rupees, is there no sense of discretion? Does it entirely depend on the whimsical opinion of the local officers? I want to know whether you have any report from any Amildar or Sub-Division Officer or Deputy Commissioner whether this gratuitous relief that you have sanctioned has been wisely and properly distributed? Sir, when there are two persons in adjoining houses, both equally affected, one gets five rupees and another gets ten rupees. I do not wish to attribute motives to Government. But there are reasons to suspect other things. This is the way in which things are going on. By merely asking for the grant on the floor of the House, you expect us to say 'Yes Sir, with regards repairs to damaged tanks and roads, I am afraid, this is a case on which Government cannot congratulate themselves on their performance. I want the Minister for Public Works to tell us whether he is getting any fortnightly or monthly reports in this regard. Is he getting the progress reports from the several districts? Can you afford to treat this in a complacent manner? With regard to roads and bridges, I must say, the Government is guilty of gross discrimination in selecting works to be



(Sri J. B. MALLARADHYA)

taken for relief works. Unless there is somebody locally who is a little vocal or who has a little influence or who belongs to the party, these works are not taken up at all. For political reasons, anything is done in some places in regard to relief measures.

Sri T. MARIAPPA.—That will be the last thing we will do.

Sri J. B. MALLARADHYA.—Sir, I will give a long list and my friends in the opposition can also give long lists. That is why I suggested to constitute a Flood Relief Committee. You ask the District Development Council itself to be the flood relief committee if you like. Now, the Finance Minister sits here in Bangalore and says that there are no such cases. I will give you a long list of such cases. Still you expect the Opposition and the whole House to vote this demand. We have no reasonable guarantee that this will be utilised in a satisfactory manner in the coming months.

Sir, in regard to loans and advances, in the very tardy and lethargic manner in which the revenue administration is going on. I do not think we can expect any satisfactory progress in the distribution of loans and advances. I want to know whether atleast 15 per cent of the loans you have sanctioned has reached the people. Will the Finance Minister make a categorical statement about this? You are making an allotment and publish it in the papers and in the Press Conferences; it does not satisfy anybody. I know the amount runs to 80 lakhs, but what is the amount distributed I want to know. I must say with a sense of frustration that this furnishes a very poor performance on the part to the Government on a vital matter where people have lost their everything and rendered to nil. I do not wish to into the inadequacy of the sanction. It is a case of meeting an emergency. Even the amount fixed is not received by the sufferers. About building materials, if you want the people to bring it from the forests, is it possible for them? The idea was that this should be delivered at the taluk headquarters if it not possible to be delivered to the villages. Was it not the statement made on the floor of this House? In how many villages these building materials are delivered at the doors of the affected people? Sir, I can multiply instances where there is gross negligence and dereliction on the part of the people at the highest level. There is nobody to bring a sense of responsibility to the local officers. Having regard to this, I must regretfully say that I am not prepared to recommend this unless there is a guarantee that the money that has been sanctioned is wisely spent and spent in respect of deserving cases and has been spent fruitfully.

Coming to Demand No. 45, here is a demand where I ask for a certain clarification from the Minister. I am referring to page 14. In the Explanation you say that only a sum of Rs. 20,73,500 is due to Andhra Pradesh Government. From 1st April 1961 to 31st December 1961 a further sum of 6,43,500 is also required. I want to know whether it would meet all the pending cases and dispose of all pending

commitments. The point is you made a token provision of Rs. 2 lakhs in the current budget for these mixed Jagirs due to non-availability of details. I take it that the accounts are finalised. I ask whether all your commitments end with the period ending 31st December 1961 or is there any more commitments on this behalf.

Sri T. MARIAPPA.—This is so far as the existing schemes were concerned. They were finalised up to 21st March 1961. So far as the finalised accounts is concerned, this much is due.

Sri J. B. MALLARADHYA.—In respect of this item, it is a charged item and inevitable item and you sat in a Round Table discussion and then finalised the amount. Why this 1st April and 31st December again?

Sri T. MARIAPPA.—I will enquire and let you know.

Sri J. B. MALLARADHYA.—Very well Sir. With regard to Demand No. 47, I have to make a very drastic remark. On page 16 you say that these works constituted items of New Service as the estimated cost of each of the above works exceeded Rs. 1 lakh. You seem to have acted on one principle that wherever it exceeded one lakh, you bring it under New Service.

Sri T. MARIAPPA.—It is a new order.

Sri J. B. MALLARADHYA.—I know, Even in the old order it was so. 4-00 P.M.

But my point about this is : Why is priority given to these works only and why were these not brought into the budget at the time you prepared the budget. It is not very clear. Sir, take for example one of the tanks to which you are referred—constructing a new tank near Maddur village Rs. 5,000 ; Improving the tank near Maravatti village Kolar taluk ; constructing a new tank in Kunigal ;—what is the exceptional nature of the urgency that arose in regard to these cases ? You do not even say why they could not be included in the original budget.

Sri T. MARIAPPA.—The explanation itself says that on account of scarcity conditions, we had to taken up a few items. There was a debate also here in regard to scarcity conditions all over the State.

Sri J. B. MALLARADHYA.—Scarcity conditions were not existing in Maddur taluk, in Kunigal and Maddur. The reason is, Maddur going to be a PSP constituency this time. That is why I know about Maddur. If you can honestly tell the reasons in regard to Maddur, I will withdraw my observations unconditionally. I am only sorry you have been informed wrongly. I would like to clarify. If you said that about Kunigal, I can understand. Selection of a new tank, I cannot understand. If it were relief operations, I could understand. Why was the construction of a new tank taken up ?

Sri T. MARIAPPA.—There was no project in that particular area.

Sri J. B. MALLARADHYA.—My information is that some of these works have been sanctioned on account of the political pulls and pressures.

Sri T. MARIAPPA.—This is in K. R. Nagar Taluk.

Sri J. B. MALLARADHYA.—I am speaking about Kunigal Taluk Sir.

Another thing Sir, is this. As to why priority was given to these and why they were taken up so as to require inclusion in the supplementary Demands is a point that is not explained.

Take this question of desilting Hebbal. When was this work taken up? Is not the total estimated cost of this work more than 4 lakhs? In regard to the desilting of the tank at Sulibele, Hosakote Taluk, I do remember, you did make an estimate. And what was the year in which you commenced this and where was the point in including this item under a new service and bringing it under supplementary grants? Is there any justification?

Sri T. MARIAPPA.—In fact, we took up the work expecting money from the Government of India. We took it up as an experimental measure. Ultimately they did not give us monies. Therefore, it has been included here.

Sri J. B. MALLARADHYA.—There is any amount of inconsistency. You start certain works in anticipation of getting grant from the Government of India. I would like to ask you whether you are going to stop the work in regard to Hebbal tank? Why have you included only Rs. 40,000?

Sri T. MARIAPPA.—That is demand made by the Public Works Department so far.

Sri J. B. MALLARADHYA.—Before an item is treated as a new service, you are excepted to get information in an exhaustive manner embodying half-a-dozen points. You are well aware of that. But still, I would remind you about one or two points:

“The following instructions have been issued to the Government Departments for compiling the statement to be furnished to the Finance Department. You are aware of that. It is unnecessary for me to draw the attention of the House.

“the explanatory note for each item of the supplementary grant should be exhaustive and clear and it should clearly state why the need for this additional expenditure could not be foreseen at the time figures were furnished for the Budget”.

Has this been observed in the case of the Hebbal desilting work?

“If the expenditure in respect of any item included in the supplementary grant is already incurred, the copy of the Government Order authorising the expenditure should be enclosed”.

Can you place the Government Order relating to this particular item on the Table?

Sri T. MARIAPPA.—It was taken up in anticipation of Government of India sanction.

Sri J. B. MALLARADHYA.—How is it that in respect of some items you do not give the Government Order authorising the expenditure?

None of these conditions are satisfied as far as these items are concerned. What about the urgency? You merely make a general statement and say scarcity conditions? Why do you construct new tanks as part of new relief operations?

Sri T. MARIAPPA.—If no work had to be taken up at least an anecut work had to be taken up. We combine both scarcity work and the works of permanent benefit to the particular area.

Sri J. B. MALLARADHYA.—My objections is that in all the cases, the explanation is neither exhaustive nor acceptable.

Sri T. MARIAPPA.—It may be acceptable. It may not be exhaustive.

Sri J. B. MALLARADHYA.—You have not made any explanation for sanctioning a new tank in Kunigal. In respect of Maddur, you have to tell me what was the urgency about it.

In respect of my own taluk, there were a number of applications pending for construction of new tanks. I know the conditions obtaining there. Is there anybody who has lifted his little finger for taking up that work? Why? Because I am a Member of the Opposition; even when the local officers recommended the construction of a middle school building at Kalale village,—I can give any number of cases. I can multiply such instances. But I do not consider the business of the Member of the Assembly to talk only about his taluk. He has to take the interests of the entire State into consideration. In respect of Kalale, the local officer sent a recommendation for a middle school. But at the highest level, it was scored off and it was given to another place where there was a congress representative who was more influential. These are facts. For the last 4½ years, I have been making best efforts to get an Extension Block to Nanjangud. T-Narasipur gets it.

Sri T. MARIAPPA.—You will get it next year.

Sri J. B. MALLARADHYA.—Because I will not be contesting from that constituency next year.

In regard to pick-ups under item 2, you have provided for only Rs. 5,000. The total estimated cost of each item of work is presumed at Rs. 1 lakh and on that presumption you have treated these as new service. You could have provided for these from the Irrigation Cess Fund. We will have to build up a new convention with regard to 'New Service'.

Sri T. MARIAPPA.—We have issued instructions.

Sri J. B. MALLARADHYA.—But nobody follows it. That is the whole difficulty.

Coming to Demand No. 49 in regard to the Kollegal Silk Filatures, what was the date of the High Court order, what was the difficulty in including this item in the normal budget.

Sri T. MARIAPPA.—I am pretty certain that it must be after the passing of the budget.

Sri J. B. MALLARADHYA.—On this occasion I cannot resist the temptation of referring to the condition of the silk filatures in Mysore. The Finance Minister was in charge of Sericulture for different periods. What have you done to see that these public sector undertakings work at a profit? I brought a non-official resolution to constitute a Sericulture Board on the lines of the Central Silk Board for managing all these concerns from mulberry cultivation to the marketing of the finished products so that this Board may have a direct control over it as in other industries.

Sri T. MARIAPPA.—According to the Constitution it is not possible to have a statutory Board for sericulture because of the existence of the Central Silk Board.

Sri J. B. MALLARADHYA.—But so far as the marketing of the silk, the preparation of disease-free layings and the running of the Government Silk Weaving Factory, etc., are concerned these matters can be brought under the control of a single statutory Board.

Sri T. MARIAPPA.—How is the Spun Silk Factory working now?

Sri J. B. MALLARADHYA.—Now it is working much better than before. So far as the sericulture industry is concerned, I think the time has come to appoint a senior officer to be in charge of sericulture. His status also should be made higher.

Sri T. MARIAPPA.—We have now made the grade from Rs. 600 to Rs. 800.

Sri J. B. MALLARADHYA.—Do you mean to say that sericulture is less important than agriculture? You must seriously consider the question of constituting a Silk Board and entrust all the work connected with silk trade to that Board for 5 years and this Board must be placed in charge of a very senior officer with administrative experience and industrial bend. It is only then that this industry will prosper. I have nothing personal against the officer in charge of this industry now and I do not wish to make any comments on anybody, but so far our experience has shown that the Department has not functioned well. So you must change the method and place this industry in the hands of a different set of people. I think it is much better to have an independent Board in the interest of development of sericulture in our

State. I leave the matter at that. The reason why I say is this Compare the work of Government filatures with the work of the private filatures. The latter is also undergoing loss but at a minimised scale whereas the Government filatures have been loosing heavily. Even the incentive bonus system is not functioning satisfactorily.

Coming to Demand No. 49-A, in one case Government says that Central Government's approval is awaited and in another case they take action in anticipation of such sanction. It is stated here that the question of taking the Inland Water Transport Canal in the third plan as a Centrally-sponsored scheme is under correspondence with the Government of India. Having admitted this, I do not understand how Government have sanctioned more than Rs. 59,000 for carrying out surveys.

Sri T. MARIAPPA.—Suppose we do not survey, how can we convince the Government of India. We wanted to include it in the second plan itself.

Sri J. B. MALLARADHYA.—I want to know when Government thought suddenly of this Survey. I am not against the scheme as such but my objection is in regard to the procedure adopted. Did not the Government anticipate expenditure of money on this head and why did they not provide for it in the regular budget. In one case it is stated that Central Government's approval is awaited and in another sanction is made even without such approval. Is sanctioning of expenditure for survey apart from the scheme itself. This shows complete lack of planning.

In respect of Demand No. 51, so far as items No. 1 and 2 are concerned, I do not have anything to say because they relate to the judgement of courts but so far as item No. 3 is concerned, that is, hospital at Raichur, it is stated there was a deficit of 2 lakhs in the deposit for construction of buildings. This one of the cases which ought not have found a place in the supplementary demands. The original scheme for 4 lakhs 59 thousands was sanctioned as far back as 1958-59. I have no criticism for the sanctioning of a hospital because Raichur is one of these integrated and unventilated building and had to be shifted. I only object to the procedure adopted.

About the poultry farm at Hesserghatta, I was rather amused to read the explanation. We are told that this item for construction of buildings could not be anticipated at the time of preparation of the poultry farm scheme. It seems that the scheme was drawn up without visualising the need for a building. Is this the fault of the officers. How is it that at the Secretariat level, Department level this missed by the Agricultural Department and the Finance Department. Even the critical eye of Bharat has missed it. This is rather extraordinary. Can we consider this 'planning'. How can the Government now come with rbazenfacedness and demand supplementary grants.

Sri T. MARIAPPA.—It was originally thought that the existing buildings could be utilized.

Sri J. B. MALLARADHYA.—If that information had been furnished, I would not have dwelt on this matter. What I wish to point out is that there is lack of a realistic approach in such matters.

In regard to item No. 51, I cannot help making a few general observations about this Tagore National Memorial Theatre, particularly in regard to the collection of 10 lakhs set up by the Rabindranath Tagore Centenary Celebrations Committee. I think Government would have to issue definite instructions to their officers in the Sales Tax, Income Tax, of the Government of India, Excise and Police and Revenue Departments, that this kind of fleecing of the public must stop.

I have heard complaints from various quarters that these officers go to people and terrorise them into paying contributions. Tagore is a figure about whom we are all very proud but this is hardly the manner in which his memory should be perpetuated. It leaves a bad taste. A Sales Tax Officer comes to a merchant and says "You must pay 100 rupees. If you don't you know the consequences". In my own constituency, a gentleman came to say with the tale and I told him not to yield, come what may. Are these voluntary contributions, I don't mind the Congress party collecting election funds but I wish that the fair name of Tagore is not dragged into the mud in this manner. I would very much wish the Government would issue a confidential circular to all its officers asking them to stop this rot. The Chief Minister once proclaimed that Government Officers would not be allowed to canvass for funds on behalf of private organisations. Why is an exception made now? Let the people pay contributions of their own free will. Is it difficult to collect funds for the memor of such a great figure like Tagore? Should Government resort to these dubious methods. It is ridiculous to the extreme and does no credit to anybody. Government's Officers must stop this practice.

4-30 P.M.

In regard to the question of R.C.C. bridge across the river Suvarnamukhi, what was the cost of the bridge, when was it constructed and what was the technical opinion about this bridge when it was completed and was any personal responsibility located in regard to the defective construction. If it is unprecedented floods, I can understand; but in every case when you put up a bridge, you say 'on account of the recent rains, that is washed away'. Is it not designed to withstand a certain pressure and a certain inflow of water. You have got to make an investigation. I am referring to item 6. This was a non-budgetted work.

Sri T. MARIAPPA.—It was sudden collapse on account of heavy rains.

Sri J. B. MALLARADHYA.—Merely because a report comes, you immediately sanction a bridge. Rs. 1,80,000 is spent and I expect within a reasonable time the enquiry has got to be started and the Public Works Minister will intimate to us whether anything was done.

My observation with regard to item 7 is that it has become quite usual for bridges being constructed, for buildings being constructed and coming down for one reason or other. The designing itself might have been bad. Has anybody investigated into this matter?

Sri T. MARIAPPA.—I will get you information.

Sri J. B. MALLARADHYA.—In regard to Demand No. 57-A, on the last occasion I wanted a statement showing the latest position in regard to the amounts charged to the Contingency Fund from time to time and it was only on my own request after three days during the budget session you placed the figures. I do not know why the statement is not placed. We raised the Contingency Fund from Rs. 2 crores to Rs. 4 crores. I should like to know up-to-date what are the amounts charged to the Contingency Fund.

Sri T. MARIAPPA.—What amounts that have been advanced have been charged to the Fund.

Sri J. B. MALLARADHYA.—You furnished a statement last time. That statement may be furnished even now.

Coming to Demand No. 58, the last of these Demands, item No. 1, a provision of Rs. 9.05 lakhs is asked for as supplementary demand for loans to the Mangalore Port Trust. Is there any good reason for advancing this amount to the Port Trust Officers when a definite provision had been the under the budget head. I am asking the Finance Minister as to why this was not treated as a new service and if it was not so treated, where was the necessity to advance the sum of Rs. 9 lakhs when there was already a definite provision made under the budget head of an equal amount.

Sri T. MARIAPPA.—There was no provision made in the budget.

Sri J. B. MALLARADHYA.—You have sanctioned Rs. 9 lakhs not as loan but as actual expenditure.

Sri J. H. SHAMSUDDIN.—new agency has been created. It is a book adjustment.

Sri J. B. MALLARADHYA.—My objection to it is, why should you have not treated this as a New Service? I am satisfied that it satisfies all the conditions but still you did not treat it as a New Service.

Sir, coming to the budget provision of Loans for water-supply and drainage scheme, I admire the complacence of the Finance Minister to sanction such a heavy amount without a word of explanation. Sir, can we have the names of Municipalities to which this amount is sanctioned? A statement furnishing the outstandings from several Municipalities showed that loans due from them ran to formidable figure and there is



(Sri J. B. MALLARADHYA)

no prospect of recovering them for next five years. If this money is again sanctioned to such Municipalities which are not able to pay even the interest on the money already outstanding. I want to know whether there is once again the operation of political pulls and pressures. What are the schemes that are sanctioned and in respect of what Municipalities? Sir, the tendency of the Municipalities is, when they take loan from Government, they need not be repaid. I am not against the ideas of facilitating or moneys being provided to the minor municipalities and village panchayats so far as water supply is concerned. But you cannot again pay to defying people who are not thinking of making arrangements to repay the amount. Unless I am satisfied that these Municipalities are not favoured for political reasons, I am not in favour of accepting or agreeing to these funds being sanctioned. Sir, I would say in all seriousness that the Government should place on the Table of this House a list of Municipalities to which these amounts are proposed to be sanctioned and we want to know the antecedents of these municipalities. I am very particular about this because, we should refuse to sanction to such of them who defy to pay back the amount. You sanction the amount subject to the condition that they have bear a portion of the cost and have to tax themselves to repay. But, they have done nothing in the matter. You can give them a grant; I do not say a word.

Sri T. MARIAPPA.—We cannot afford to give them grant.

Sri J. B. MALLARADHYA.—With regard to item 4—loans for construction of irrigation wells, it is very necessary that a careful scrutiny at the highest level in regard to the progress of work and the utilisation of the amount sanctioned for the purpose should be made.

It is very necessary that a careful scrutiny at the highest level in regard to the progress of work and the utilization of the amount sanctioned for the purposes for which it was intended, because in some cases, we have heard complaints and in one or two cases that observation is justified—that the amount has been misused, that in the midst of a hundred and odd applications, only two or three people are given loans as a measure of favoritism; and in one or two cases, the funds which were allotted have been mis-applied. It is very necessary that a careful watch is kept over the recoveries. What are the terms of payment? I do not know whether it bears any rate of interest or whether the instalments have been stipulated for repayment, because the explanation does not say that. Are they interest free loans and when they are expected to be returned to the Government of India. You may remember that it was urged last time also that some portion of this amount should be treated as grant instead of merely as a loan. I want to know whether the Government of India has conceded this request. You must argue with the Government of India and see that portion of it is treated as a subsidy or grant in view of the importance of having irrigation wells throughout the State.

Now you say that the position is eased. At one stage, after the payment of first instalment of the loan, they stopped it, so much so, everybody got frustrated and they did not think they would get the second instalment and a hue and cry was raised. It is likely that the second instalment has been ordered to be given. What I am greatly concerned about the irrigation wells is that in view of the fact that the amount has not been utilised and people who ought to have got it, have not been given and the amount is being mis-spent, there no careful scrutiny over the progress of the works, you owe it to the Central Government and to this House to see that it is profitably spent and within a reasonable time as a result of spending four crores of rupees, the irrigation potential of the State has increased and it has given a stimulus to agricultural food production. Unless we guarantee that this amount is spent properly, I am afraid that we will come in for a lot of adverse criticism from the Centre.

Sir, in regard to item 6—loans to the Mysore Road Transport Corporation and sanction of loan to the Mysore Small Industries Corporation—I do not know whether my friend Mr. Sivappa is connected with this. In regard to the distribution of steel quota the public complaint is mounting and a variety of complaints are being received in respect of the distribution of steel quota, is something which does not redound to the credit of any sound Government. You are going loans to the small Industries Corporation. So they are under an obligation and the obligation is also cast on the Government of Mysore to provide this temporary accommodation to this Mysore Small Industries Corporation which has come into existence. Where is the necessity to advance this amount? And you treat this as a new service. What is the security over this loan of five lakhs, may I ask?

Sri J. H. SHAMSUDDIN.—I will give details.

Sri J. B. MALLARADHYA.—I want to make this very clear that since the clearance of steel quota has been mentioned, there is a variety of complaints in regard to the distribution of steel quota and there is a complaint that almost a monopoly is given and a few members of the Ruling Party is associated with it rightly or wrongly. I am not prepared to mention names. But some names are freely mentioned. I think you owe it to this House to clarify the entire situation. A few non-official congressmen are interfering with the usual distribution channels is the allegation that is freely made. I want to know why you have given this loan to this small Industries Corporation as a temporary accommodation and at what rate of interest.

Sri T. MARIAPPA.—Five per cent.

Sri J. B. MALLARADHYA.—Sir, in the case of one corporation you give money at 6 per cent and in another case, you give it at 5 per cent. What is the idea? I know you will easily that it is concerned with small industries and you want to give encouragement to small industries. I know that. But if you want to encouragement, by all means, you go

(Sri J. B. MALLARADHYA)

one step further and give money a 3½ per cent, if it is possible. You give this loans for the purpose clearing the consignment of steel. If you had given this amount to the depot of rawmaterials, I would not have found fault with you. One general observation with this distribution of steel quota is that it is thoroughly unsatisfactory and the distribution of raw-materials is even more unsatisfactory. I will come to the raw-material depot.

Sir, this raw-material depot—I want to know how much of the loan is for the depot. Is there any official document to indicate in the Mysore Small Scale Industries Corporation that this and this raw-material depot is functioning at all; and what is the value of the raw-material and the goods in stock as on date?

At what prices are raw-materials being delivered to consumers and what is the method of providing resources to the Corporation.

Sri T. MARIAPPA.—The proposal to charge interest at a uniform rate of 6 per cent is under consideration.

Sri J. B. MALLARADHYA.—Where is the latest report of the small Industries Corporation? To my knowledge, no report has been placed.

Sri T. MARIAPPA.—After a year, we will positively place this report before you.

Sri J. B. MALLARADHYA.—We are hearing the worst complaints in regard to these raw-material depot, you owe a duty to the public that this is placed on a rational basis. Has any policy decision been taken in this matter? What is the category of raw-materials which have been stocked in this raw-material depot? Or is it left to the whims and fancies of the Small Scale Industries Corporation? There are a number of small electrical industries. People who want a particular kind of materials stocked. Are you keeping those materials; who are giving preference to a particular category? To whom do they sell? There is an endless complaint about small industries corporation in regard to the functioning of this raw-material depot and I think it requires a good lot of looking into at this stage.

Sir, in difference to the wishes of the Hon'ble Speaker, I should like to close by making one observation and making one request to the Hon'ble Finance Minister. Nowhere in these statement is to be found an indication as to how the budget is going to be affected or is going to be upset but this additional and supplementary demands. I know that a majority of the amount required is for capital purposes, but to what extent is the revenue budget going to be affected is the matter. We have already had a deficit budget and to what extent is the deficit going to be increased? Is the point for consideration about which a clarification may be given by the Hon'ble Finance Minister.

With these few words, I should like to oppose some of these Demands and give my halting support to a few others.

5-00 P.M.

†Sri G. VENKATAI GOWDA (Palayam).—Sir, my friend Sri Mallaradhya has exhausted almost all the items. I will try my best to confine my remarks to those items that have not been touched. These supplementary demands have become an annual feature. Last year we had 3 instalments of these. This is supposed to the 1st instalment and I do not know whether there is any possibility of placing before us any other instalments before we adjourn. My only worry is to see that the prescribed procedure is followed in asking for these supplementary demands. The Government is entitled to make supplementary demands if the money provided in the budget is found insufficient or if the service contemplated is a new service, but as my friend Sri Mallaradhya pointed out more than 50% of the items here could have either been foreseen or postponed to the next year's budget. There are one or two items for which the money provided in the budget was found insufficient and this House should give its approval for the supplementary demands in respect of them, but there are several other items which could have either been foreseen and provision made for them in the original budget or could have well been postponed. If the Government resorts to this practice of coming with supplementary demands like this we will not be in a position to correctly assess the finances of the State. We had a revenue deficit of Rs. 431 lakhs for 1961-62. Now by way of expenditure out of revenue he has asked for Rs. 91 lakhs voted and Rs. 2 lakhs charged. That takes us to a total of Rs. 522 lakhs (voted) deficit on revenue account apart from the deficit under capital account. We are not given the statistics to assess the financial position of the State. The Hon'ble Minister may say that it is sound, but we must be given statistics to assess it to the nearest correct point. Except those items the expenditure on which the Government of India will reimburse, the expenditure on the other items is going to increase the deficit with the results that the closing balance of 1961-62 will naturally get upset.

Sri T. MARIAPPA.—The total deficit may not be as much as you imagine because there may be surrenders in other departments.

Sri G. VENKATAI GOWDA.—The Minister was pleased to say that so far as the P.W.D. is concerned, nothing would be surrendered and that the whole amount would be spent.

Sri T. MARIAPPA.—There may be increase in revenue receipts.

Sri G. VENKATAI GOWDA.—It cannot always be said that in the revised budget, the revenue receipts increase. During the last 4 years we have been seeing that in some cases the receipts may increase, but in some other cases they also go down. Thus there is the possibility of there being a decrease also in receipts.

Sri T. MARIAPPA.—The correct position will be reflected in the revised budget for the current year when you receive the next budget papers.

Sri G. VENKATAI GOWDA.—Since there has been variations we cannot say whether the deficit would be less or more. If the expenditure is inevitable as a new service, it is all right, but we find here several items which could have been provided in the budget or postponed to the next budget. For instance, the Leader of the Opposition pointed out item 58 for an advance of a loan of Rs. 5 lakhs to the Small Industries Board. Could that be called 'New Service'? Could it not have been avoided?

So far as the provision of Rs. 215 lakhs for sinking irrigation wells, we are glad that Government has taken a bold step to have 15,000 wells sunk. I only wish the moneys are given to those for whom they are meant. So far as my district is concerned, 100 and odd wells were sanctioned. Almost all of them have been completed, but several persons have not got their second instalment. I am told that Government have issued instructions that those wells which were completed and restored as complete before 1st September 1961 may be paid their third instalment. The officers are waiting and I am told that they have asked clarification from Government whether those people should be paid or not. It is indeed a very good thing that the Government has provided this amount but they must ensure that who have completed construction of the wells should be paid all the money.

In regard to the 75 lakhs earmarked for granting interest free loans to flood victims, I would like if Government have any information as to how much of this amount has been actually disbursed to the victims. I am sorry that payment of these amount is circumscribed by so many formalities and the needy persons find it a difficult job to get these loans. After all the quantum loan sanctioned is meagre, that is, Rs. 200 per acre of wet land and Rs. 50 per acre of dry land, whereas the actual price of one acre of wet land comes to Rs. 4,000 to Rs. 6,000. Without undergoing all the procedural tangles, the Tahsildar or the officer entrusted with distribution, if he is satisfied that a person has been affected by floods in the sense his landed property has undergone damage and that he is the *bona fide* owner of the land, should be able to advance the amount. Government have stated that where interest free loans could not be sanctioned a gratuitous payment of Rs. 100 could be made. I would like to ask in how many cases this *ex-gratia* payment was made. If a person has not got the Khata in his name or if he is a joint pattadar, he cannot obtain interest free loans though his land has been damaged by floods. In such cases the Tahsildar should be able to give the loan without much formality especially when the rate payment is exceedingly low. I would like the Government to take a note of this difficulty.

Sri J. H. SHAMSUDDIN.—If a person is entitled to a loan, he would be given.

Sri G. VENKATAI GOWDA.—If a person asks for gratuitous loan, the Tahsildar asks him to apply for interest free loans because he has lands. If he applies for loans, he is not the loan because he has not got all the documents. How then should he get help. Government have magnanimously sanctioned 75 lakhs but I am afraid much of the money has not been spent and is not being given to the persons who most need them.

Another point is that pending receipt of assistance from the Centre, a grant of 30 lakhs have been diverted from other loans to agriculturists, taccavi loans and land improvement loans. Rs. 110 lakhs have been taken from the Contingency Fund. Where was the necessity to divert 30 lakhs which were earmarked for important purposes. Government could have drawn 140 lakhs from the Contingency Fund. Actually, applications were pending and were about to be sanctioned when a stay order has been issued by Government directing withholding of taccavi and other loans. Thus persons who genuinely need the money and who were eligible, were deprived of the money at the last moment. Now Government wants to recoup the 30 lakhs but the mischief has been done. There is no point in giving the loan now because the agriculturists would not be able to utilize the loan. The Revenue Minister ought not to have done this. This is an inexcusable blunder.

Coming to demand No. 52, in respect of the Linganamakki dam for acquisition of land, provision ought to have been made in 1961-62. An order was passed on 26th July 1960 and the expenditure could have been budgetted for 1961-62. In any case is that a 'new service'?

In respect of Demand No. 51, item 4, construction of building for the poultry farm at Hessarghatta, a provision could have been made in 1960-61 budget and atleast nothing could have prevented them having the same in 1961-62. To call it a 'new service' is not in conformity with the principles laid down in the Constitution.

If provision had been made in the budget estimates of 1960-61, you would have made a big deficit and in order to avoid a big deficit being shown, you come in the middle by way of supplementary estimates, though you were able to foresee all these things in 1961-62.

When the bridge collapsed due to heavy rains in September 1960 and when you were definitely intending to put up a new bridge, would it not be possible to make a provision in 1961-62; could you have not made provision in the regular budget.

According to item 7, you have accorded sanction for the construction of a high level bridge at 74th mile of Raichur-Ginigera Road at an estimated cost of Rs. 3½ lakhs. You have stated:

"Provision for this work was not included in the current year's budget. In view of the urgency, the work had to be taken up during the current year itself..."

(Sri G. VENKATAI GOWDA)

When the Government decided to put up a high level bridge, was it not possible for the Government to foresee all these things; was it not possible to provide in the current year's budget. That shows scrupulously this is being avoided. Several bridges have collapsed. What steps have you taken to replaced those bridges by new bridges; has any provision been made at least by way of supplementary demands? In Sivasamudram one old bridge collapsed. The P.W. Minister did make an inspection and he assured that as soon as he got back to Bangalore he would see that a new bridge was put up there. Till now nothing has been done with the result that the people are not able to go to the Sivasamudram Island. Such things are not being provided for in the supplementary estimates. Here you have taken a high level bridge, calling it urgent. You give the same treatment to all these things.

So far as Demand No. 49 is concerned, the Kollegal Silk Filatures was compulsorily acquired in 1943. The best thing you could have done is, you could have made provision for the amount awarded by the arbitrator. You did not do that. You had all these things within your knowledge and could it be said that it is a new service. In 1943 these buildings were put up as an emergent measure. Their condition is deteriorating. No steps have been taken to effect improvement on these buildings or to replace these buildings. I request the Deputy Minister to make note of it and see that these buildings housing the Kollegal Silk Filatures are replaced with suitable good buildings because that was done as an emergent measure, not with the idea of having a permanent establishment. Since it has become a permanent thing, it is absolutely necessary to put up suitable buildings to house the filatures.

Let me say something about this industry. While under the control of the Government of Mysore, it used to earn profits. Since disintegration, it is sustaining loss. I do not know the exact reasons why there should be profits before 1956 and losses after 1957. You have got to find out the reasons. You see that the cost of production is brought down. I do not know whether the incentive bonus scheme introduced in Kanakapura or somewhere would facilitate to bring the cost of production to a lower level. Not only production must be more but the quality must be of the same standard. If the quality is bad, you cannot expect a good price. I do not think that the incentive bonus scheme that is introduced will help in any manner except making the labour work some more hours and get more wages.

Next, I come to Demand No. 47, minor irrigation works. We have a regular scheme to take minor irrigation works every year. They are included in the budget. Only 4 or 5 minor irrigation works the total cost of which is Rs. 1,55,000 are sought to be implemented and money has been asked for these items. It is said 'Because there are scarcity conditions prevailing in the area'. We have been hearing that



scarcity condition were prevailing in Chitraldrug and Kolar. You could have foreseen and made provision for those works. So far as minor irrigation schemes are concerned, four years ago they made a thorough survey all over the State and they proposed that several schemes could be taken up during the Second Five-Year Plan and by the end of the Plan it was a thorough failure because even in respect of the several schemes proposed, no estimates were prepared. Even for those schemes for which estimates were prepared they were pending sanction. When they have got a regular programme including all these minor irrigation works, leaving all these works, suddenly taking some works and saying that scarcity conditions are prevailing in the area, is something which cannot be reconciled with. I do not think this deserves the sympathy of this House.

5-30 P.M.

About 80 lakhs of rupees in demand 38, we are glad that so much has been sanctioned. But, as Mr. Mallaradhy, pointed out, I am doubtful as to how many deserving cases have received the relief. The ambition of the Government has not been fully realised in the sense that nobody is given more 40 rupees. Is it with this intention that they sanctioned the amount? If a house is affected by floods and a wall is broken, in the opinion of the Tahsildar it is not considered as damaged. Perhaps, he thinks it must have completely washed off. If the house has been rendered unfit for human habitation, relief must be given. In village which was submerged, 60 families were affected their houses and were damaged. But the Tahsildar has not given them anything because only the walls were broken. It is not commonsense that such cases are also helped.

Regarding Demand No. 29, this could have been easily included in the budget of 1961-62. So far as 28-A is concerned, the same remarks apply. This man-power is supposed to be utilised during 1960-61 and could have been easily included in 1960-61 budget. With regard to Demand No. 27, my observation is that the Government of India is going to give this amount is not definite. There are certain schemes of the S. C. and S. T. people and they have not been given any help at all. The Kollegal Leather Tanning Society has not been given anything by way of grant or loan. Provision is made to the extent of three lakhs and 60,000 for 12 schemes and I do not know whether this would be fairly distributed. As regard Demand No. 1, by the way in which these things are done, I am afraid, nobody including the Finance Minister, is able to correctly ascertain where stand, so far as the finances of the State is concerned. It is not a question of big adjustment. You must give facts and figures to convince people that our finances are sound. For the Plan we have got to raise the resources to the extent of 110 crores and 42 crores by way of additional taxation according to the Finance Minister. So, far I do not know what measure have been taken to raise this. As you are aware, Sir, our



(Sri G. VENKATAI GOWDA)

people are already burdened with sufficient taxes and are not capable of bearing any more. So, in order to avoid a very big gap, many of the items are included in the Supplementary Estimates. On the other hand, I am surprised to see that there is no scheme for the welfare of the Scheduled Castes and scheduled Tribes and Backward classes. Specially about Backward classes nothing is mentioned. Sir, so far as backward class scholarship is concerned, in 1957-1958, we were getting Seven lakhs from Government of India and our Government has to contribute an equal share. Even for 1961-1962 the same amount is continued. Is there not tremendous increase in the student population among the backward class people? Why was no attempt made to get this increased? As a matter of fact, the Madras Government is increasing every year its quota and an equal aquota is got from the Centre. Therefore, you are not able to give any justification to these backward classes in any respect.

Because facts will speak for themselves. If you could see the backward class list, 60 per cent are not able to get a seat in the Engineering College. How are you going to meet out social justice? This is a wonder-ful state of affairs. Therefore, I say that you have not take any steps to safeguard the welfare of the backward classes. I have already submitted that you have made no attempts to increase the backward class Scholarships. You have made no attempt to secure social Justice. Formerly, at least a backward class boy securing 60 per cent, would easily get a seat in the technical colleges. Now-a-days those chance are not there. How do you expect the rural boys to secure 80 per cent with the atmopshere in which he has to grow up? Therefore, I am submitting that no attempts are done really to help the backward classes or the rural population: These demands are not intended to help that end and therefore, they do not deserve our sympathy and approval.

You are aware of the backward class Report and the Government Orders thereon. It is as if you have allotted a reservation of 52 per cent for the advanced classes. Instead of making reservation for the beckward classes and scheduled castes, you have made a reservation for the advanced classes to the extent of 52 per cent. Is it resonable? You may say there is the decision of the High Court on this matter. With due deference to that, when the Government feels that this is contrary to the spirit of the constitution, they should have preferred an appeal to the Supreme Court. You are making a 30 per cent reseruation for backward classes, because they are not able to compete in the open pool. They have also chances of competing for places in the open pool. Why should you take that into account the number of seats these people take in the open pool for filling in places under the reservation of 30 per cent? I therefore say that this Government has not cared to give due protection to the interests of the backward classes

There is no justification whatever for the Government to adopt such an attitude and I should say it is not befitting. For all these reasons, I am afraid, I must say that you do not deserve to get the approval of this House so far as these Demands are concerned.

†Sri B. R. SUNTHANKAR (Belgaum).—Mr. Deputy Speaker Sir, this is the first instalments of supplementary demands and it is to the tune of 7. 64 crores. Every year, the Government ask for a huge amount of supplementary grant. Last year, there were 3 instalments and they were to the tune of 18 crores and more. Sir, we are at present living in an age of planning and all the activities and programmes of the Government are expected to follow a planned programmes. All programmes and activities of the Government are according to a particular plan and they are planned ahead; and allotments are made on the basis of these planned programmes every year. Under such circumstances, I feel Sir, that there should be no scope, at least there should be very little scope for asking for supplementary demands or grants. Only in urgent and emergency cases, such as floods, scarcity conditions, Government should ask for supplementary grants. Otherwise, as there is planning—there have been two plans and we have started the third plan. all the activities of the Government are expected to follow the planned activity and according to these plans. So, Government should not come forward as a matter of fact with such supplementary grants. In the face of this, if the Government comes before this House thrice with a supplementary demand, it means that there is something wrong and there is defective planning, that the planned programme is not properly regulated and controlled, that activities of the Government are not well planned and planned ahead. So, this sort of haphazard method of planning is not creditable Sir. This time, Sir, there are in these supplementary demands, 30 items out of which 16 items belong to new service. The Hon'ble Leader of the Opposition Sri Mallaradhya and my Hon'ble friend Sri Venkatai Gowda have also objected to some of the items being new service. In their opinion they are not new services at all. It has been found in the past that the Government is in the habit of asking for supplementary demand which were quite unnecessary, which either unnecessary or were largely excessive. The Government asked for three supplementary Demands and at the end of the year, we found that the supplementary demands were either unnecessary, superfluous or largely excessive.

On the last occasion, while speaking on the Supplementary Grants, I pointed out a large number of cases where supplementary demands had proved to be unnecessary or largely excessive. I have pointed out from the Audit Report of 1960, a number of such cases. Now Sir, from the Audit Report of 1961, there are a number cases in which supplementary grants have proved to be unnecessary and excessive. I am referring to page 10 of the Audit Report of 1961. There are 6 cases where Supplementary Demands were unnecessary or excessive. I am quoting the following cases:

(Sri B. R. SUNTHANKAR)

	<i>Grant</i>	<i>Savings</i>
Demand No. 24	5. 50 lakhs	2,92,000
Demand No. 23	2. 18 lakhs	3,04,100
Demand No. 36		

Sri J. H. SHAMSUDDIN.—The amount of savings is taken to the whole budget, not merely to the supplementary grant.

Sri B. R. SUNTHANKAR.—I know that. I am saying that the amount that was voted by way of supplementary grant was quite unnecessary and could have been met by re-appropriation.

Sri J. H. SHAMSUDDIN.—The supplementary grant might have been asked because it was a case of a new service in which case the approval of Legislature was necessary because the money was not available otherwise. Unless the legislature gives approval to the particular item we cannot appropriate the amount.

Sri B. R. SUNTHANKAR.—In grant No. 36 the supplementary demand voted was Rs. 50 lakhs and the savings were Rs. 17,18, 000. In grant No. 45 the amount voted was Rs. 11,50,000 and the savings were Rs. 11,19,000. In grant No. 55 the amount voted was Rs. 15 lakhs and the saving was Rs. 17,28,000. In grant No. 28 the amount voted was Rs. 4,20,000 and the saving was Rs. 6,52,000. I do not understand why Government should come forward with these supplementary demands which are quite superfluous and quite unnecessary. When Government cannot utilize the amounts voted by this House. I do not see any propriety for asking for supplementary demands. That means that Government asks for supplementary demands without giving proper pre-thought to these demands. This means that Government places these demands according to their whims. Let us hope that at least in the case of these supplementary demands the same experience would not be repeated and all this amount will be fully utilized this year at least.

Similarly on one side we find there are savings in a large number of cases in a large number of grant the savings are from 30 to 50 per cent some of them are even to the extent of 85 per cent. On the other hand, there are also excesses of expenditure over budgetted grants in a number of cases. In addition to this the supplementary grants prove to be quite unnecessary or largely excessive. This is a very sad picture. This shows very defective planning. There seems to be lack of proper method of executing the budgetted programmes. Works are taken up in a haphazard manner, not strictly following the plan programme. Government should be more meticulous while placing supplementary demands before the House. This House should not be asked to vote for supplementary demands which are superfluous, unnecessary or largely excessive. Most of these items in the first instalment of

supplementary demands except a few which relate particularly to scarcity and flood situation, are in the nature of lapses and omissions on the part of the Government and they could very easily have been foreseen and provision made for them in the budget. Hon'ble Members who have spoken before me have exhaustively dealt with all the items in this list, particularly the Leader of the Opposition and so I would like to restrict my comments to only a few of the demands.

Coming to item No. 27 (i), the scheme for welfare of Scheduled Castes and Scheduled Tribes, this could have easily been foreseen and included in the annual budget because the scheme was discussed on 3rd October 1960 and approval of the Government of India was obtained in November 1960. This is a case of lapse on the part of Government. Here I would like to point out and I agree fully with the statement of my Hon'ble friend Sri Venkatai Gowda that the other backward classes are neglected. They should be paid more attention to. This scheme is meant for scheduled castes and scheduled tribes but I do not know what portion of it goes to scheduled castes and what portion goes to scheduled tribes. Generally the experience is that most of the benefits are lifted by Scheduled Castes. The Scheduled Tribes and other backward classes's case generally goes by default. They being more backward and not in a position to look after themselves, Government should take more care of them and safeguard their interests.

Coming to demand No. 28, this scheme of Rs. 4 lakhs was meant for 2 years. This could have easily been foreseen and included in the budget. This is another omission on the part of Government.

Coming to demand No. 29, this work was very urgent. Tenders were also called for the work and the work was taken up in 1960-61. As this was an urgent work the approval of the Government of India was a matter of course and it would have come in the routine course and so this item could have been easily anticipated and included in the budget. In the P.W.D. we find that every year thousands of works are executed without proper estimates and sanction. That being so, I do not understand why such an urgent work should have been omitted to be included in the budget.

MR. DEPUTY SPEAKER.—Does he require more time ?

SRI B. R. SUNTHANKAR.—10 minutes more.

MR. DEPUTY SPEAKER.—The House will now rise and meet to-morrow at 1 P.M.

---

*The House adjourned at Six of the Clock to meet again at One of the Clock on Tuesday, the 14th November 1961.*

---